

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2005

	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Investment property revaluation reserve HK\$	Other security revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Total HK\$
THE GROUP								
At 1st July, 2003								
– as originally stated	3,886,334,280	9,351,563,039	164,246,000	3,679,917,683	(119,967,731)	(1,829,875)	7,272,818,196	24,233,081,592
– prior year adjustment (Note 2)	–	–	–	(1,246,088,019)	–	–	–	(1,246,088,019)
– as restated	<u>3,886,334,280</u>	<u>9,351,563,039</u>	<u>164,246,000</u>	<u>2,433,829,664</u>	<u>(119,967,731)</u>	<u>(1,829,875)</u>	<u>7,272,818,196</u>	<u>22,986,993,573</u>
Surplus on revaluation	–	–	–	3,448,271,547	301,662,998	–	–	3,749,934,545
Deferred tax liability arising on revaluation of investment properties	–	–	–	(550,883,119)	–	–	–	(550,883,119)
Share of surplus on revaluation of investment properties of associates	–	–	–	907,238,705	–	–	–	907,238,705
Deferred tax liability arising on revaluation of investment properties of associates	–	–	–	(134,185,738)	–	–	–	(134,185,738)
Share of surplus on revaluation of investment properties by minority shareholders	–	–	–	(25,005,189)	–	–	–	(25,005,189)
Deferred tax liability arising on revaluation of investment properties attributable to minority shareholders	–	–	–	197,680	–	–	–	197,680
Exchange differences arising on translation of operations outside Hong Kong	–	–	–	–	–	(5,626,572)	–	(5,626,572)
Net profits (losses) not recognised in the consolidated income statement	–	–	–	<u>3,645,633,886</u>	<u>301,662,998</u>	<u>(5,626,572)</u>	–	<u>3,941,670,312</u>
Shares issued in lieu of cash dividends	44,688,695	–	–	–	–	–	–	44,688,695
Shares issued upon conversion of convertible notes	375,000,000	–	–	–	–	–	–	375,000,000
Premium on issue of shares upon scrip dividends	–	163,200,881	–	–	–	–	–	163,200,881
Premium on issue of shares upon conversion of convertible notes	–	1,125,000,000	–	–	–	–	–	1,125,000,000
Shares issue expenses	–	(482,065)	–	–	–	–	–	(482,065)
Revaluation reserves released on disposals	–	–	–	1,447,740	38,978	–	–	1,486,718
Impairment loss charged to consolidated income statement	–	–	–	–	2,614,215	–	–	2,614,215
Net profit for the year	–	–	–	–	–	–	1,408,826,625	1,408,826,625
Final dividend – 2003	–	–	–	–	–	–	(77,726,686)	(77,726,686)
Interim dividend – 2004	–	–	–	–	–	–	(208,453,423)	(208,453,423)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 30th June, 2005

	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Investment property revaluation reserve HK\$	Other security revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Total HK\$
At 30th June, 2004 and 1st July, 2004								
- as restated	4,306,022,975	10,639,281,855	164,246,000	6,080,911,290	184,348,460	(7,456,447)	8,395,464,712	29,762,818,845
- effect of change in accounting policy (Note 2)	-	-	-	(6,080,911,290)	-	-	6,080,911,290	-
- as restated	4,306,022,975	10,639,281,855	164,246,000	-	184,348,460	(7,456,447)	14,476,376,002	29,762,818,845
Surplus on revaluation	-	-	-	-	96,643,774	-	-	96,643,774
Exchange differences arising on translation of operations outside Hong Kong	-	-	-	-	-	(2,925,512)	-	(2,925,512)
Net profits (losses) not recognised in the consolidated income statement	-	-	-	-	96,643,774	(2,925,512)	-	93,718,262
Shares issued in lieu of cash dividends	69,838,687	-	-	-	-	-	-	69,838,687
Premium on issue of shares upon scrip dividends	-	441,325,821	-	-	-	-	-	441,325,821
Shares issue expenses	-	(60,000)	-	-	-	-	-	(60,000)
Cancellation upon repurchase of own shares	(27,804,000)	-	27,804,000	-	-	-	(205,881,047)	(205,881,047)
Revaluation reserves released on disposals	-	-	-	-	(88,622,824)	-	-	(88,622,824)
Net profit for the year	-	-	-	-	-	-	5,225,029,814	5,225,029,814
Final dividend - 2004	-	-	-	-	-	-	(301,421,608)	(301,421,608)
Interim dividend - 2005	-	-	-	-	-	-	(368,206,098)	(368,206,098)
At 30th June, 2005	4,348,057,662	11,080,547,676	192,050,000	-	192,369,410	(10,381,959)	18,825,897,063	34,628,539,852

Notes:

- (i) At 30th June, 2005, retained profits in the sum of HK\$47,651,784 (2004: HK\$41,972,544) of certain associates attributable to the Group are distributable by way of dividend subject to the prior consent of their bankers.
- (ii) At 30th June, 2005, the retained profits of the Group included retained profits of HK\$2,014,792,729 (2004: HK\$388,501,211 as restated) attributable to the associates of the Group.